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VIA FACSIMILE (212) 805-6304

The Honorable Paul A. Crotty, U.S.D.J.
United States District Court
Southern District of New York
500 Pearl Street
New York, NY 10007

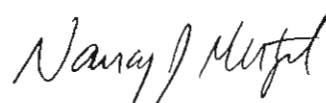
Re: South Beach Resort Development, LLC v. Z Hotel, LLC
Civil Action No. 11-CV-4329 (PAC)

Dear Judge Crotty:

We represent plaintiff South Beach Resort Development, LLC in the above-referenced action.

On October 31, 2011, we informed the Court that the parties are in the process of negotiating a settlement. As instructed by Chambers, we write to inform the Court that the parties have exchanged drafts and comments on a proposed settlement agreement, and are continuing to work together to negotiate the details. We request that the Court continue the matter so that the parties can finalize their agreement. We will provide a further status report in thirty (30) days.

Respectfully submitted,



Nancy J. Mertzel

Cc: Christopher Jensen, Esq. (via facsimile)
Jonathan King, Esq. (via facsimile)

✓ **SO ORDERED:**

05 DEC 2011


HON. PAUL A. CROTTY
UNITED STATES DISTRICT JUDGE

EMO ENDORSED